

Hamilton, president of the Bankers* Association during; 1906, had prepared a plan, which was presented to the convention, but it was deemed best to secure harmony by consultation among those interested in different plans, and all of the members of the Hamilton committee were included in the membership of the enlarged committee of fifteen.

This committee met promptly in Washington in November, 1906, with the Hon. A. Barton Hepburn, president of the Chase National Bank of New York, as chairman. A plan was prepared which did not differ in principle from the plan of the New York Chamber of Commerce, but changed the basis of circulation so that a national bank might issue an amount of notes without bond security to the amount of forty per cent, of its bond-secured circulation, but not exceeding twenty-five per cent, of its capital. These notes were to be taxed at the rate of two and a half per cent, per annum. An additional issue was provided for, in order to meet more acute emergencies, to the amount of twelve and a half per cent, of capital, subject to tax at the rate of five per cent. This measure was introduced into Congress and was made the basis of a bill reported favorably by the Hon. Charles N. Fowler, chairman of the House Committee on Banking, who had long taken a leading part in the agitation for an improved currency system. This bill did not receive consideration, however, during the session which ended on March 4, 1907, At the annual convention of the Bankers* Association held at Atlantic City in September, 1907, the report of this committee was indorsed by a large majority and the committee was continued, with power to adopt such measures to secure legislation as it might approve.

Inevitably the serious conditions of the crisis of 1907 intensified the demand for reform. The demonstrated defects of the system of banking isolation led to more serious consideration than for many years of the project of a central bank. Such an institution was recommended by Mr. Ridgely, the Comptroller of the Currency, in his annual report to Congress, and received endorsement in other influ-